

NORTHEAST KANSAS LIBRARY SYSTEM

FINANCIAL STATEMENT
AND
INDEPENDENT AUDITOR'S REPORT

December 31, 2020

Northeast Kansas Library System

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Northeast Kansas Library System
Lawrence, Kansas

Report on Financial Statements

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Northeast Kansas Library System and related municipal entities as of and for the year ended December 31, 2020 and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note C; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note C of the financial statement, the financial statement is prepared by the Northeast Kansas Library on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note C and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis of Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Northeast Kansas Library System as of December 31, 2020, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Northeast Kansas Library System as of December 31, 2020, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note C.

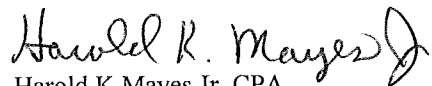
Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditure-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1, and 2 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note C.

Prior Year Comparative

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Northeast Kansas Library System as of and for the year ended December 31, 2019 (not presented herein), and have issued our report thereon dated March 10, 2020, which contained an unmodified opinion on the basic financial statement. The 2019 basic financial statements and accompanying report are not presented herein, but available in electronic form from the web site of the Kansas Department of Administration at the following link <http://admin.ks.gov/offices/oar/municipal-services>. The 2019 actual column (2019 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended December 31, 2020 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2019 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2019 basic financial statement. The 2019 comparative information was subjected to the auditing procedures applied in the audit of the 2019 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2019 basic financial statement or to the 2019 basic financial statements itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2019 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2019, on the basis of accounting described in Note C.



Harold K Mayes Jr. CPA
Agler & Gaeddert, Chartered
Ottawa, Kansas
March 11, 2021

Northeast Kansas Library System

Summary Statement of Cash Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2020

Funds	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances
Government Type Funds		
General Fund	\$ 1,049,128	\$ 0
Special Purpose		
Employee Benefit	3,522	0
Capital Improvement	<u>542,010</u>	<u>0</u>
	1,594,660	0
Related Municipal Entity		
Northeast Kansas Library System Foundation	<u>17,350</u>	<u>0</u>
Total Reporting Entity	\$ <u><u>1,612,010</u></u>	\$ <u><u>0</u></u>

The accompanying notes are an integral part of this statement.

Statement 1

<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
\$ 3,008,007	\$ 2,981,363	\$ 1,075,772	\$ 43,830	\$ 1,119,602
313,083	284,695	31,910	0	31,910
<u>202,163</u>	<u>113,920</u>	<u>630,253</u>	<u>113,920</u>	<u>744,173</u>
3,523,253	3,379,978	1,737,935	157,750	1,895,685
<u>17,577</u>	<u>18,101</u>	<u>16,826</u>	<u>0</u>	<u>16,826</u>
<u>\$ 3,540,830</u>	<u>\$ 3,398,079</u>	<u>\$ 1,754,761</u>	<u>\$ 157,750</u>	<u>\$ 1,912,511</u>

Composition of Cash:

Checking	\$ 56,246
Money Market and savings	1,839,339
Foundation checking	16,826
Petty cash	<u>100</u>
Total Cash	<u>\$ 1,912,511</u>

The accompanying notes are an integral part of this statement.

Northeast Kansas Library System

NOTES TO FINANCIAL STATEMENT

December 31, 2020

NOTE A. MUNICIPAL REPORTING ENTITY

Northeast Kansas Library System is a regional system of cooperating libraries validated under the statutes of the State of Kansas (K.S.A. 75-2549b). The System covers 14 counties in northeast Kansas. The Library System is governed by a board composed of representatives from each of the Library System's member libraries. In addition, the County Commission in each of the eleven taxing counties of the Northeast Kansas Library System's region appoints one representative from each county to the System board.

The Library System's major operations include distribution of financial aid to local libraries, as well as support services including inter-library loan programs, workshops and assemblies, communications, public relations and summer reading programs. The Related Municipal entity noted below has a December 31 year-end.

Related municipal entity

The Northeast Kansas Library System Foundation is a not-for-profit corporation set up to receive donations from the public which will benefit the Library System. The Northeast Kansas Library System Foundation has been included in Statement 1 and Schedule 2 of the Library System's financial statements.

NOTE B. REGULATORY BASIS FUND TYPES

The accounts of the Northeast Kansas Library System are organized and operated on the basis of funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The Northeast Kansas Library System potential could have the following types of funds.

General Fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Funds – used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specific purposes.

Bond and Interest Fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and payments of general long-term debt. Northeast Kansas Library System does not have any funds of this type.

Capital Project Fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment. Northeast Kansas Library System does not have any funds of this type.

Business Fund – funds financed in whole or part by fees charged to users of goods or services (i.e. enterprise and internal service funds etc.). Northeast Kansas Library System does not have any funds of this type.

Trust fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.). Northeast Kansas Library System does not have any funds of this type.

Agency fund – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.). Northeast Kansas Library System does not have any funds of this type.

Northeast Kansas Library System

NOTES TO FINANCIAL STATEMENT

December 31, 2020

NOTE C. BASIS OF ACCOUNTING

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America - The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligations against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

Northeast Kansas Library System, Kansas has approved a resolution that it is in compliance with K.S.A. 75-1120a (c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

NOTE D. BUDGETARY INFORMATION

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

Adjustment for Qualifying Budget Credits – Municipalities may use this line item for any budgeted fund. The adjustment would be a positive amount. All budget adjustments must be authorized by Kansas statutes. Examples include: expenditure of federal grant monies, gifts and donations, and receipts authorized by law to be spent as if they were reimbursed expenses.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

Northeast Kansas Library System

NOTES TO FINANCIAL STATEMENT

December 31, 2020

NOTE D. BUDGETARY INFORMATION – continued

A legal operating budget is not required for the following special purpose funds, capital project funds, business funds and trusts:

Capital Outlay

Northeast Kansas Library Foundation, Inc.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing board.

NOTE E. DEPOSITS AND INVESTMENTS

Cash balances from all funds are combined and invested to the extent available in certificates of deposit and other authorized investments. Earnings from these investments are allocated to designated funds. All investments are stated at cost.

K.S.A. 9-1401 establishes the depositories which may be used by the Northeast Kansas Library System. The statute requires banks eligible to hold the Northeast Kansas Library System's funds have a main or branch bank in one of the eleven counties in which the Northeast Kansas Library System is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the bank to pledge securities for deposits in excess of FDIC coverage. The Northeast Kansas Library System has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the Northeast Kansas Library System's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The Northeast Kansas Library System has no investment policy that would further limit its investment choices. The Northeast Kansas Library System rates investments (if any) as noted.

Concentration of credit risk - State statutes place no limit on the amount the Northeast Kansas Library System may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The Northeast Kansas Library System has no investments other than money markets and certificates of deposit.

Custodial credit risk – deposits: Custodial credit risk is the risk that in the event of a bank failure, the Northeast Kansas Library System's deposits may not be returned to it. State statutes require the Northeast Kansas Library System's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. There were no designated "peak periods" during the year. All bank deposits were legally secured at December 31, 2020.

At December 31, 2020, the carrying amount of the Northeast Kansas Library System's bank deposits was \$1,912,511 (which includes petty cash funds of \$100) and the bank balance was \$2,127,178. The bank balance was held by two banks resulting in a concentration of credit risk. The difference between carrying amount and bank balance is outstanding checks and deposits. Of the bank balance, \$517,247 was covered by federal depository insurance, and \$1,609,930 was collateralized with securities held by the pledging financial institution's agents in the Northeast Kansas Library System's name.

Custodial credit risk – investments: For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the Northeast Kansas Library System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments be adequately secured. The Northeast Kansas Library System had no such investments at year end.

Northeast Kansas Library System

NOTES TO FINANCIAL STATEMENT

December 31, 2020

NOTE F. LONG-TERM DEBT

Northeast Kansas Library System has no long-term debt as of December 31, 2020.

NOTE G. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Other Post Employment Benefits: As provided by K.S.A. 12-5040, the Northeast Kansas Library System allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the Northeast Kansas Library System is subsidizing the retiree's health insurance plan because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been qualified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (CORBA), the Northeast Kansas Library System makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

Compensated Absences: The Northeast Kansas Library System policies states that full-time employees will receive 12 to 20 days of vacation leave each calendar year (based upon years of service). Salaried part-time employees receive a proportionate vacation allowance based on the full-time allowance for their position. Upon termination, employees in good standing and with at least six months service receive compensation for unused vacation leave. At December 31, 2020, accumulated unused vacation in the amount of \$40,966 has not been recorded in the accompanying financial statements because its payment is subject to continued funding.

Full-time employees also may accrue one day of sick leave per month up to a maximum accumulation of 1,000 hours. Salaried part-time employees receive a proportionate allowance based on the full-time allowance. Upon retirement, employees receive compensation for 25% of their accumulated sick leave. Total accumulated sick leave at year-end at the 25% rate was \$25,010 but it has not been recorded in the financial statements because its payment is subject continued funding.

At December 31, 2020, the payout for vacation and sick leave was \$65,976.

NOTE H. DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan description - The Northeast Kansas Library System participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901. et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and requires supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S Kansas, Suite 100, Topeka, Kansas 66603) or by calling 1-888-275-5737.

Contributions - KSA 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2, and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

Northeast Kansas Library System

NOTES TO FINANCIAL STATEMENT

December 31, 2020

NOTE H. DEFINED BENEFIT PENSION PLAN - continued

State law provides that the employer contribution rates for KPERS 1, KPERS 2, and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.61% for the fiscal year ended December 31, 2020. Contributions to the pension plan from Northeast Kansas Library System were \$59,509 for the year ended December 31, 2020.

Net Pension Liability

At December 31, 2020, the Northeast Kansas Library System's proportionate share of the collective net pension liability reported to KPERS was \$550,279. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020. The Northeast Kansas Library System's proportion of the net pension liability was based on the ratio of the Northeast Kansas Library System's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

NOTE I. OTHER POSTEMPLOYMENT BENEFITS – THRU KPERS

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disabilities benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefits payments. The employer contribution rate is set at 1% for the year ended December 31, 2020.

NOTE J. RISK MANAGEMENT

The Northeast Kansas Library System is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the Northeast Kansas Library System carries commercial insurance. Settled claims resulting from these risks has not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE K. OTHER INFORMATION

Reimbursements: The Northeast Kansas Library System records reimbursable expenditures in the fund that makes the disbursement and records reimbursement as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under KMAAG regulatory basis accounting.

Ad valorem tax revenues: The determination of assessed valuations and the collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser annually determines assessed valuations and the County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county. In accordance with Kansas statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. Taxes are distributed to Northeast Kansas Library System as required by K.S.A. 12-1678a.

Northeast Kansas Library System

NOTES TO FINANCIAL STATEMENT

December 31, 2020

NOTE K. OTHER INFORMATION - continued

Ad valorem tax revenues - continued: This procedure eliminates the need to issue tax anticipation notes since funds will be on hand prior to the beginning of each fiscal year. The Northeast Kansas Library System Treasurer receives funds available from the various County Treasurer's offices.

Compliance with Kansas Statutes: References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the State Director of Accounts and Reports and interpretation by the legal representative of the municipality.

Management is not aware of any violations as of December 31, 2020.

Contingencies: The Northeast Kansas Library System receives significant financial assistance from state governmental agencies in the form of grants and state pass through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the Northeast Kansas Library System at December 31, 2020.

NOTE L. TRANSFERS

Transfers into capital improvement \$202,000 and transfer out of general fund of \$202,000.

NOTE M. SUBSEQUENT EVENTS

Subsequent Events: The Northeast Kansas Library System evaluated subsequent events through March 11, 2021, the date the financial statements were available to be issued. No subsequent events were identified which require disclosure.

**REGULATORY BASIS
SUPPLEMENTARY INFORMATION**

Northeast Kansas Library System

Summary of Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2020

<u>Fund</u>	<u>Certified Budget</u>
General Fund	\$ 3,465,728
Special Purpose Fund	
Employee Benefit Fund	320,000

See Independent Auditor's Report.

Schedule 1

Adjustment for Qualifying Budget Credit	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (under)
\$ 0	\$ 3,465,728	\$ 2,981,363	\$ (484,365)
0	320,000	284,695	(35,305)

See Independent Auditor's Report.

Northeast Kansas Library System

Schedule 2a

GENERAL FUNDS

GENERAL FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	2020			Variance- Over (under)
	2019 Actual	Actual	Budget	
Cash Receipts				
Taxes and shared receipts				
Ad valorem Property	\$ 1,739,229	\$ 1,798,629	\$ 1,825,072	\$ (26,443)
Motor Vehicle	180,417	180,222	173,313	6,909
Recreational Vehicle	4,243	4,393	4,045	348
Truck	8,961	8,739	9,580	(841)
Delinquent	19,515	24,449	19,000	5,449
Other	937	146	0	146
Commercial	7,746	7,936	6,990	946
Watercraft	2,268	1,244	2,651	(1,407)
Other sources				
State Aid	50,840	50,840	50,000	840
Grant/Contract	235,516	382,558	180,000	202,558
E-rate income	6,546	8,035	6,450	1,585
Next Shared	77,950	80,425	81,550	(1,125)
Kansas Digital Book eLending	1,350	1,450	0	1,450
Kansas Library Courier Fees	383,387	441,260	446,560	(5,300)
Other Income	1,802	7,070	0	7,070
Apple	3,933	0	0	0
Reimbursements	14,927	9,250	14,750	(5,500)
Interest	2,368	1,361	2,000	(639)
Total Receipts	<u>2,741,935</u>	<u>3,008,007</u>	<u>\$ 2,821,961</u>	<u>\$ 186,046</u>
Expenditures				
Salaries	581,919	619,237	\$ 660,000	\$ (40,763)
Benefits - Courier	24,765	24,887	25,215	(328)
Materials	24,686	18,472	41,000	(22,528)
Telephone	2,022	2,242	2,700	(458)
On-line Services/Internet	18,346	19,835	22,100	(2,265)
Bibliographic Services	1,181	0	1,800	(1,800)
Postage	2,012	1,196	2,000	(804)
Printing	7,401	7,498	12,500	(5,002)
Insurance & Bonding	7,441	8,062	7,800	262
Supplies	7,393	10,166	31,000	(20,834)
Contractual Services	118,890	132,672	229,000	(96,328)
Contractual Courier	606,352	546,238	674,296	(128,058)
Accounting & Audit Fees	7,020	8,023	6,500	1,523
Budget & Legal Fees	2,076	6,770	10,000	(3,230)
Travel	23,449	4,393	39,500	(35,107)

See Independent Auditor's Report.

Northeast Kansas Library System

Schedule 2a

GENERAL FUNDS

GENERAL FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	2020			Variance- Over (under)
	2019 Actual	Actual	Budget	
Expenditures - continued				
Staff Development	\$ 13,424	\$ 9,256	\$ 21,600	\$ (12,344)
Utilities & Cleaning	10,588	8,882	12,735	(3,853)
Workshops	23,514	(614)	51,000	(51,614)
Summer Reading Program	8,321	4,301	10,000	(5,699)
Repair/Maintenance	17,746	40,030	19,600	20,430
Vehicle Expense	3,682	1,855	6,500	(4,645)
Grants to libraries	837,600	1,009,005	1,020,512	(11,507)
Software & Support	22,455	17,341	25,000	(7,659)
Other Expenses	27,306	22,088	1,470	20,618
SISL	13,802	0	0	0
Apple	0	1,267	0	1,267
Capital Outlay	39,633	256,261	16,900	239,361
Transfers Out	150,000	202,000	0	202,000
Cash Carryforward	0	0	515,000	(515,000)
Total Expenditures	<u>2,603,024</u>	<u>2,981,363</u>	<u>\$ 3,465,728</u>	<u>\$ (484,365)</u>
Receipts Over (Under) Expenditures	138,911	26,644		
Unencumbered Cash, Beginning	<u>910,217</u>	<u>1,049,128</u>		
Unencumbered Cash, Ending	<u>\$ 1,049,128</u>	<u>\$ 1,075,772</u>		

See Independent Auditor's Report.

Northeast Kansas Library System

Schedule 2b

SPECIAL PURPOSE FUNDS
EMPLOYEE BENEFIT FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

		<u>2020</u>		Variance- Over (under)
	2019 Actual	Actual	Budget	
Cash Receipts				
Taxes and shared receipts				
Ad valorem Property	\$ 226,626	\$ 283,523	\$ 288,006	\$ (4,483)
Motor Vehicle	23,176	23,487	22,669	818
Recreational Vehicle	546	573	529	44
Truck	957	1,138	1,253	(115)
Delinquent	2,442	3,144	2,500	644
Other taxes	122	23	150	(127)
Commercial Vehicle	1,004	1,034	914	120
Watercraft	295	161	347	(186)
Direct reimbursement	<u>0</u>	<u>0</u>	<u>500</u>	<u>(500)</u>
Total Receipts	<u>255,168</u>	<u>313,083</u>	<u>\$ 316,868</u>	<u>\$ (3,785)</u>
Expenditures				
Payroll Taxes	42,436	45,213	\$ 320,000	\$ (274,787)
Retirement - KPERS	54,816	56,751	0	56,751
Retirement 401A	10,296	11,048	0	11,048
Health insurance	168,577	170,573	0	170,573
Workman's Compensation	479	719	0	719
Unemployment Tax	<u>651</u>	<u>391</u>	<u>0</u>	<u>391</u>
Total Expenditures	<u>277,255</u>	<u>284,695</u>	<u>\$ 320,000</u>	<u>\$ (35,305)</u>
Receipts Over (Under) Expenditures	(22,087)	28,388		
Unencumbered Cash, Beginning	<u>25,609</u>	<u>3,522</u>		
Unencumbered Cash, Ending	<u>\$ 3,522</u>	<u>\$ 31,910</u>		

See Independent Auditor's Report.

Northeast Kansas Library System

Schedule 2c

SPECIAL PURPOSE FUNDS
CAPITAL IMPROVEMENT FUND
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2020
(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	<u>2019</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
Cash Receipts		
Other sources		
Interest	\$ 118	\$ 163
Transfers In	<u>150,000</u>	<u>202,000</u>
Total Receipts	<u>150,118</u>	<u>202,163</u>
Expenditures		
Building	0	113,920
Office Furniture	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>113,920</u>
Receipts Over (Under) Expenditures	150,118	88,243
Unencumbered Cash, Beginning	<u>391,892</u>	<u>542,010</u>
Unencumbered Cash, Ending	\$ <u><u>542,010</u></u>	\$ <u><u>630,253</u></u>

See Independent Auditor's Report.

Northeast Kansas Library System

Schedule 2d

RELATED MUNICIPAL ENTITY NORTHEAST KANSAS LIBRARY FOUNDATION, INC Schedule of Cash Receipts and Expenditures - Actual Regulatory Basis

For the Year Ended December 31, 2020

(With Comparative Actual Totals for the Prior Year Ended December 31, 2019)

	2019 <u>Actual</u>	2020 <u>Actual</u>
Cash Receipts		
Other sources		
Donations - Individual Contributions	\$ 7,025	\$ 8,975
Donations Library Day Giving	11,805	7,000
Sale of Stock	1,432	1,494
Other	<u>212</u>	<u>108</u>
Total Receipts	<u>20,474</u>	<u>17,577</u>
Expenditures		
Donations - Individual	9,171	11,055
Donations - Library Day of Giving	1,686	6,327
Registration Fees	40	40
Stripe Contribution Fee	290	216
Books and subscriptions	421	421
Sale of Stock	<u>30</u>	<u>42</u>
Total Expenditures	<u>11,638</u>	<u>18,101</u>
Receipts Over (Under) Expenditures	8,836	(524)
Unencumbered Cash, Beginning	<u>8,514</u>	<u>17,350</u>
Unencumbered Cash, Ending	\$ <u><u>17,350</u></u>	\$ <u><u>16,826</u></u>

See Independent Auditor's Report.